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ADMINISTRATIVE MATTERS: JOINT INSPECTION UNIT

Activities of the Joint Inspection Unit in the second half of 1994 of relevance to UNIDO

Note by the Secretariat

Summary

Provides information on reports prepared by the Joint Inspection Unit during the second half of 1994 and reflects the position of the UNIDO Secretariat on those matters.

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Introduction

1. The Joint Inspection Unit (JIU) is, according to its statute which was accepted by UNIDO on the basis of Board decision IDB.1/Dec.22, a subsidiary organ of the legislative bodies of the organizations that accept its statute. The statute foresees that reports of JIU are submitted with the comments of the executive heads of the organizations concerned to the competent organs of those organizations. The executive heads of organizations concerned are responsible for the expeditious implementation of recommendations made in the reports.

2. The General Assembly, in its resolution 48/221, stressed the importance of the timely and substantive consideration of JIU reports by Member States and organizations of the United Nations system and called upon the executive heads of organizations and agencies to ensure that JIU recommendations approved by their governing bodies are implemented.

I. REPORTS SUBMITTED BY JIU OF DIRECT INTEREST TO UNIDO

3. Since the issuance of the most recent document to the Board on the subject (IDB.13/23 and Add.1), the following two JIU reports have been issued, both of which are considered relevant to the work of UNIDO. They are available in the UNIDO Secretariat for consultation.

(a) Review and assessment of efforts to restructure the regional dimension of United Nations economic and social activities (JIU/REP/94/6);

(b) Staff turnover and delays in recruitment (the lapse factor) (JIU/REP/94/7).

Review and assessment of efforts to restructure the regional dimension of United Nations economic and social activities (JIU/REP/94/6)

4. The report discusses the restructuring and revitalization of the United Nations economic and social activities, and the future role and activities, decentralization and coordination, as well as programme and administrative management of the regional commissions. The report reviews the past several attempts made in the 1970s and 1980s to restructure the regional dimension of United Nations economic and social activities, which the Inspector considers to be unsuccessful. The Inspector attributes this to: (a) the failure of the Member States to agree on overall goals and objectives of the United Nations, (b) bureaucratic resistance and (c) the lack of leadership in the restructuring exercise, particularly the inability of the Secretariat to initiate reform from inside.

5. The Inspector also reviews the ongoing restructuring exercise of the United Nations and the regional commissions. He recommends that all relevant bodies of the United Nations coordinate their work with the Commissions. In doing so, it is important to transfer resources and authority to the Commission, which should streamline operations, enhance accountability and improve performance. He also recommends that the regional commissions should concentrate on priority areas and calls for greater coordination with the global programmes such as ensuring optimal use of limited resources and avoiding duplication of work within the region, and that the Secretary-General should designate a senior official who would be responsible for all aspects of restructuring and decentralization of the economic and social sectors.

6. UNIDO pointed out that, in considering recommendations made as to the future role of the commissions, it is necessary to take into account mandates and roles of other parts of the United Nations system, including the specialized agencies. While UNIDO shares the Inspector's concern that a clear mandate and focus on priority areas should be established for the commissions, UNIDO does not support the idea of the commissions engaging in operational activities. Regional commissions should primarily fulfil their coordination function. The question of the role of the commissions as executing agencies of regional and subregional projects, and national projects with specific regional focus (recommendation 6), must be seen in the context of the overall ongoing reform of the United Nations. On other recommendations relating to general restructuring questions, UNIDO supports the idea of greater coordination at the regional level, which was taken into consideration when preparing the proposals for a framework for the field representation programme of the Organization (PBC.11/11).

Staff turnover and delays in recruitment (the lapse factor) (JIU/REP/94/7)

7. This report deals with the lapse factor, or vacancy factor as it is called in UNIDO and some other organizations. In many United Nations organizations the lapse factor has gradually evolved into an instrument for obtaining savings on staff costs. The Inspector observes that, while some organizations have been able to cope with their lapse factor percentage, in many cases it imposes artificial limitations on recruitment that not only affect the execution of important programmes but even force the termination of staff in order to reach the imposed level of vacancies. In such cases a high lapse factor forces longer delays in recruitment, thus preventing the deployment of staff resources to carry out approved programmes. Within the United Nations system, the most notable feature is the lack of a common approach to the practice, and the techniques employed

for calculating the related budgetary adjustment vary from one organization to another. One common practice is the application of different lapse factors to the Professional and General Service categories.

8. The Inspector recommends that: (a) organizations in the system should employ common terminology and definition of the lapse factor; (b) the lapse factor practice should be maintained as a useful instrument to produce savings, but not as a mandatory adjustment to the extent that it is to the detriment of programmes; and (c) Member States should agree that the matter requires flexibility in its implementation in order to allow for realistic savings without affecting the execution of programmes, keeping in mind changing circumstances and the difficulties faced in each individual organization.

9. The concern expressed by the Inspector that an inappropriately high lapse factor may diminish the capacity of an organization to deliver approved programmes reflects precisely the views of the UNIDO Secretariat. With that concern in the forefront, UNIDO has ensured that specialized functions in substantive divisions are given top recruitment priority even while pursuing a high vacancy factor for reasons of economy. Furthermore, over-reliance on a lapse factor has been carefully avoided by UNIDO, which has been able to achieve economies through various measures (see for example document IDB.11/6-PBC.9/6, chapter V.A).

10. In UNIDO the budget base includes a provision for a lapse (vacancy) factor of seven per cent for all existing posts at the Professional and Director level, and in the case of General Service and other categories of zero per cent. The overall lapse factor at the organizational level is constantly monitored within available financial resources, as a way to adjust the budget and obtain not "savings" but resource reduction on staff costs.

II. ACTION REQUIRED OF THE BOARD

11. In compliance with the provisions of the statute of JIU and resolution 48/221 of the General Assembly that foresee that recommendations made by JIU should be considered and approved by Member States prior to their implementation by organizations and agencies, the Board may wish to review the recommendations of JIU together with the UNIDO views thereof and provide policy guidance for follow-up action.